CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
SPECIAL MEETING

JANUARY 25, 2006

CALL TO ORDER:
Mayor Lavagnino called the Special Meeting of the City Council to order at 9:00 a.m.

PLEDGE OF ALLEGIANCE TO FLAG:
Councilmember Mariscal led the Pledge of Allegiance.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino.

STAFF MEMBERS PRESENT
City Manager Ness, Assistant City Manager Haydon, City Attorney Trujillo, Police Chief Macagni, Director of Administrative Services Snodgrass, Director of Community Development Lindsey, Director of Recreation and Parks Posada, Fire Chief Ortiz, Director of Utilities Chisam, Public Works Director/City Engineer Sweet, City Librarian Pinneli, and Chief Deputy City Clerk Perez.

APPROVAL OF MINUTES OF JANUARY 12, 2006, SPECIAL MEETING
Councilmember Mariscal requested a correction be made to the minutes on page 4, last paragraph, where he talked about the senior high-rise apartment building being purchased. He said it was the low-rise apartment building that has been purchased.

On motion by Councilmember Patino, seconded by Councilmember Orach, and carried unanimously, the Minutes were approved with that correction.

CITY COUNCIL GOAL-SETTING WORKSHOP
City Manager Ness explained that this would be an informal workshop for the City Council to set goals for the next two years. The last goal-setting workshop was conducted in December 2002. At that time the City Council developed six major goals. Then sub-goals or objectives were established as staff's work plan for the 2002-04 budget. Budget instructions have just gone out to departments, and workshops were provided to staff to go over those instructions. The department budgets are to be submitted by the middle of February. The budget process will culminate when the City Council reviews the budget in June.

Assistant City Manager Haydon presented an overview of the six City-wide goals from 2002-04 and the current status of those goals. The six previous goals were (1) augment the overall housing stock by providing a balanced housing market and encouraging owner-occupied housing; (2) better the quality of life for the next generation to come; (3) enhance the economic vitality of the City; (4) improve public facilities and infrastructure; (5) create new means to enhance public safety services for our residents; and (6) future annexations and planned growth. At the time the goals were adopted, the thought was that they would create a work plan for staff for the next two years; however, some would be three to five year goals. He also reviewed the sub-goals or objectives for each of the main goals and what staff has been able to accomplish. He indicated the intent at the end of the meeting was to determine if the six main goals were on-going and should be reaffirmed, or if any should be changed or deleted. He indicated that Council was also provided with a list of suggested goals or issues to address that staff has established over the last three years and a recap of the public input from the January 12, 2006, Community Forum Budget Workshop.

Councilmember Mariscal commented that the City of Santa Barbara has a City Housing Authority. In Santa Maria, the County Housing Authority is used. The City Housing Authority in Santa Barbara gives them a lot more flexibility with respect for what they are able to do for their residents. He requested staff provide the Council with an analysis of establishing a City Housing Authority for Santa Maria.

Councilmember Trujillo agreed that a City Housing Authority would provide more power and flexibility. He talked about the Housing Authority of the City of Los Angeles. The City of Santa Maria needs to pursue federal money to build low-income housing complexes.

Director of Administrative Services Snodgrass gave a presentation on the City's financial status. She indicated that as of December 31, 2005, the revenues were at 38.5 percent of projections and expenditures were at 46 percent of projections. Revenues are projected to increase 5 percent over the next fiscal year primarily due to an increase in Vehicle License Fee (VLF) revenues and an increase in interest revenue from the Local Economic Augmentation Fund (LEAF) fund. Staff has projected expenditures for the next fiscal year. Salaries and benefits make up 72 percent of the total budget. This is only for the known approved budgeted positions. Any increases in personnel costs will increase that percentage. Departments have been given a 3 percent increase in their operating budgets to make up for the last two years of status quo budgets. No capital outlay has been budgeted at this time. Based on revenue and expenditure projections, there will be a surplus of only $586,025 for supplemental budget requests, expansion of services, or Council goals.

Mayor Lavagnino stated that $586,025 surplus is without any funds going into reserves for 2006-07. One police officer costs the City about $100,000. This also does not include the possibility that San Luis Obispo County may prohibit impacted soils coming to Santa Maria which would dramatically reduce the $2,000,000 revenue projection.

City Manager Ness stated a lot of people wonder why Santa Maria is not as well financed as some of the other cities such as San Luis Obispo and Santa Barbara and even Lompoc. He said prior to Proposition 13, the City would determine how much money it needed to operate, and then the City Council would set the property tax rate. It hasn't worked that way since Proposition 13 was approved by the voters. Now the City has to determine its revenues and then set the expenditure level. Compared to San Luis Obispo and Santa Barbara, Santa Maria's property taxes are low and only represent about 12 percent of the City's revenues. In San Luis Obispo and Santa Barbara it represents a much larger percentage of their revenues. The City of Santa Maria gets only about 11 percent of the allocation of property taxes generated within the City. When Proposition 13 was approved, it locked in the property tax allocation. All those cities that operated efficiently with a very low property tax rate were penalized. The City of San Luis Obispo gets about 20 to 21 percent of the property tax allocation. In addition to that, the typical assessed value of property in San Luis Obispo and Santa Barbara is much higher than Santa Maria. Decisions were made back in the 1970's and 1980's to create a Redevelopment Agency and build parking structures for the downtown. The debt service the City is paying on that is quite high. The City is paying in excess of $1.7 million a year out of the General Fund until 2016 to support the parking structures. The City of San Luis Obispo and the City of Santa Barbara also have utility users taxes which generate a considerable amount of revenue for those cities.

Mayor Lavagnino opened the public input period.

Willie Galvan congratulated the City Council for the foresight in purchasing the Las Flores Ranch property. One of the suggested goals is to revisit the feasibility of a convention center. Now the City has an opportunity with the purchase of that land to trade some of that land to the Fairpark Board in exchange for the Fairgrounds. The Fairpark property could then be used for a conference or convention center. The City could utilize those two large buildings until a real conference center could be built. Also, if the City is not going to be using the Safe Haven building on Thornburg, he would like to talk to staff about a lease-purchase of that property for the American GI Forum of Santa Maria to continue and expand the programs and projects there now for that part of the community and other parts of the community.

Laurie Tamura, Urban Planning Concepts, asked how the water sales to Orcutt fit into the budget and if there was a particular line item for that in the budget. She asked what policies the City was going to set for any future water sales. Under the goal of "future

annexations and planned growth," if the City is looking at acquiring water from one direction, selling water in another direction, and growing in a different direction, how will that all come together for 20 to 30 years down the road. Although the City has not updated its Circulation Element, it has been very progressive in updating the AB 1600 fees as well as the Capital Improvement Plan and Transportation Plan and working with the development community to make sure that the infrastructure is going in as development occurs. Even though the Circulation Element has not been updated, the vision has been implemented in a number of different ways, and staff should be commended. Under "enhance the economic vitality of the City," the relationship between the City, the Chamber and the Airport District is paramount. The Airport District's Specific Plan is into the City for processing, and they would like to begin through the public hearing process and start implementing the plan.

Mayor Lavagnino stated the Community Development Department has lost people and has been unable to fill some of the vacant positions. He asked Mrs. Tamura if she thought the development community would be willing to come forward and help fund positions in Community Development in order to get projects processed more quickly.

Mrs. Tamura replied she thought that would be a possibility. Community Development is so critical. The Community Development Department is a revenue generating source, and there should be a direct nexus between the revenue coming in and the staffing levels. If that Department is bringing in $2,000,000 a year, there should be 20 or 30 people working in that Department. It should be staffed to the highest level possible. In the last two years the City not only lost staff in that Department, it lost tenured staff who were very knowledgeable. She recommended the City establish a long-range planning division to handle the specific plans and annexations. If not, these major regional projects are not going to happen in a timely fashion.

Dave Ericson indicated he had supplied the City Council with a list of goals he is suggesting be adopted. He asked that they be incorporated into the minutes. He briefly discussed his suggested goals: (1) Improve Public Safety with the sub-goals of (a) open up the Police Advisory Council (create a public safety working council), (b) institute neighborhood rangers, (c) expand code enforcement officers in numbers, days, hours per week, (d) install red light cameras, (e) expand Neighborhood Watch, (f) complete fifth fire station, increase from 3 to 4 person fire truck crews, (g) consider public safety facility for the police, (h) address pedestrian and traffic safety (i.e. 48 second solution for traffic calming), (i) develop City's own animal control capability, (k) publicize Citizens Police Academy and volunteer opportunities, (l) create ombudsman position; (2) Continue Civic Center Improvements with sub-goals of (a) complete the library, (b) continue development of the Down Town Specific Plan, (c) remodel the old library and move City offices; (3) Increase Affordable Housing with sub-goals of (a) senior housing, (b) workforce housing, (c) farm worker housing including develop farmer funded grants program; and (4) Work on Financial Plan and funding opportunities with sub-goals of (a) sell the parking structure to relieve the debt (tax write off for a corporation); (b) consider and study the impacts of low income illegal aliens, (c) farmers to pay higher wages to workers to afford housing and transportation.

Randy Alonzo, Inland Pacific Builders, stated his concern was for Community Development and the level of service that the development community was not presently getting. He thanked the Community Development Department for the work they had been able to accomplish together. He said about a year ago he was projecting they would pull about 300 permits in 2006. Now he is projecting less than 200. They have about 700 units in some stage of processing with the City. They are currently paying a fee to expedite plan checking and processing, but it is still taking the same amount of time. He indicated they would be willing to look at assisting to hire designated staff to work on specific projects. Another idea they would be open to would be subsidizing housing for employees to help attract qualified individuals from out of the area to move here. Inland Pacific Builders will work with the City in any way it can because they are laying off people in the office and in the field because they do not have enough work right now.

As there were no further public comments, the discussion returned to the Council to formulate its goals.

Assistant City Manager Haydon explained that the Council should now decide if it wanted to reaffirm the existing six major goals or change or delete them from the list. The list of suggested goals – issues to address could be used as sub-goals under the major goals.

Councilmember Trujillo commented regarding housing, the City needed to get the public sector involved in terms of providing money to non-profit organizations to supply more housing. The Housing Authority is a good idea. He suggested looking at how Los Angeles obtains funding for senior and low-income housing. Inter-relations with the School Districts for youth activities was important. Economic vitality for the City included establishing jobs which was important. Improving public facilities and infrastructure including restrooms at the parks was something he wanted to see happen. Explore future annexations and planned growth and create more youth centers on the westside were two more suggested sub-goals.

Councilmember Orach commented that his priorities were maintaining and optimizing public safety, exceeding our customers' expectations for levels of service, a downtown convention center – including the Downtown Specific Plan because of its ability to enhance the City's revenues. He said the City is already working on the electric utility, a new Fire Station on the northwest side of town, and traffic safety including the red light cameras. Also, currently there is no one working on community outreach activities, and that needs to be addressed.

Mayor Lavagnino commented some of his priorities were already being worked on such as the municipal electric utility, new regional landfill, and the red light cameras. Revisiting the feasibility of a conference/convention center should be looked at but maybe on a smaller scale of something to accommodate 200 to 300 people. Code Compliance needs to be enhanced. The City also needs to identify funding sources for the fifth fire station and for a new public safety facility.

Councilmember Patino distributed an article from the Wall Street Journal regarding housing. She said at the last meeting the Council approved a mixed-use housing project with smaller lots and more density. Putting people into smaller areas did not enhance the quality of life. People are leaving the Santa Maria area because they want a better quality of life. Unless the City wants to go into the real estate/development business, she didn't know how the City could provide affordable housing. Affordable housing is not possible on the Central Coast. The people who are impacting the City work in the strawberry fields. It is not government's complete responsibility to take care of that. The farmers who are employing these people have to come to the table and help find a solution. Two additional positions are needed in Code Compliance because the City really needs to clean up its neighborhoods. She also wanted to support the Fire and Police Departments. Those things will give the residents a better quality of life. She wanted to move forward with the red light cameras. She also wanted to see the Downtown Specific Plan move forward and do something with the downtown area which would contribute to the vitality of the City. She also suggested exploring the possibility of using the Las Flores Ranch property as an equestrian trail.

Councilmember Mariscal said he thought all the suggested goals were good. In Santa Maria 20 or 30 years ago, there really was future planning. There needed to be a more long-range plan to determine what impacts the short-range decisions will have on the City in 20 or 30 years from now. There should be visioning for the future. The Downtown Specific Plan and revitalizing the downtown would be a benefit to the entire community. As part of that the City needs to move forward with a transit center. The County Housing Authority is funded through the program. It pays for itself. If the City moved forward with a City Housing Authority, the City could be much more responsive to the needs of City residents than the County Housing Authority. Regarding housing in general, the City needs to look at mixed-use housing projects and more density, because the people who can't afford to buy single family homes still need a place to live. The stock of housing in Santa Maria relative to the need of the residents is not compatible. The City needs to look at some of the major projects like the Airport, the Bradley Ranch annexation, and others and what effect that will have on the way Santa Maria Valley looks in the future. Also, whatever Nipomo and South San Luis Obispo

County do in the future will have an impact on Santa Maria. Traffic is a huge issue. A fifth fire station in the northwest end of town is crucial. The City needs to look at a new Police facility. As the City's population continues to grow, there will be more people who want the City to provide more services, but the funding sources limit that. The City needs to be more upfront with the community and let them know there is no funding for increased services. Another concern is the levee, and there is no funding to make the levee better. At some point in time, the City is going to have to look at the revenue stream coming in and the community's desire for more services. The City needs a formal succession plan to identify and train future managers.

Following the comments by each Councilmember, the Council developed the following list of sub-goals:

- Work Force Housing – Ag responsibility for Farm Worker Housing
- Longer Range Planning/Visioning Plan
- Levee Safety – Revenue Enhancement
- Formal Succession Planning
- Explore City Housing Authority
- Economic Vitality
- Future Annexations
- Enhance Public Safety
- Improvement Processing of Development Projects in Community Development
- Municipal Electrical Utility
- Regional Landfill
- Enhance Code Compliance
- Inter-relations with School Districts
- Improve Public Facilities/Infrastructure – Restrooms at all parks; equestrian center
- Youth Centers on Westside
- Downtown Specific Plan – enhance "old" downtown, Library/Civic Center, Transit Center
- Traffic Safety – red light enforcement
- Community outreach activity
- Revisit feasibility of Convention Center
- Identify funding for Fire Station No. 5 and new public safety facility for police

Each Councilmember was given the opportunity to cast seven votes with up to two votes per item to prioritize the sub-goals. After the voting, the sub-goals were ranked as following:

Votes	Councilmembers	Goal
5	AP(2), BO, LL, MM	Traffic safety
4	AP(2), BO, LL	Enhance code compliance
4	AP, BO, LL, MM	Downtown Specific Plan (enhance old downtown; library/Civic Center; transit center
4	BO(2), MM, LT	Longer-range planning and "visioning" plan
3	AP, BO, LT	Improve public facilities/infrastructure; restrooms in parks and possible equestrian center
2	LL, MM	Improve processing of development projects in Comm Dev
2	LT, MM	Economic vitality
2	AP, LT	Workforce housing; ag responsibility for farmwkr housing
2	LT, MM	Formal succession planning
2	LT, MM	Explore City Housing Authority
1	LL	Identify funding for Fire Station No. 5 & new Police Facility
1	LL	Regional landfill
1	LL	Municipal Electric Utility
1	BO	Community outreach activity (neighborhood groups to augment Police Department)
1	LT	Youth Centers on the Westside
0	-	Levee safety and revenue enhancement
0	-	Enhance public safety
0	-	Future annexations and planned growth
0	-	Revisit convention center
0	-	Inter-relations with school district

ADJOURNMENT

There being no further business to come before the City Council at this time, the meeting was declared adjourned at 11:26 a.m. by order of Mayor Lavagnino.

APPROVED

February 7, 2006
Date

Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

ATTEST:
Chief Deputy City Clerk

Mayor of the City of Santa Maria